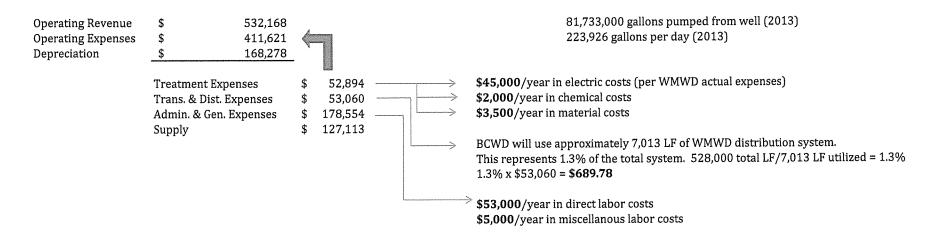
## WMWD WHOLESALE RATE ANALYSIS



\$109,189.78/year in total treatment, transmission & distribution, & labor cost

In the short term BCWD may purchase up to 50,000 gallons per day, this would represent an approximate 22% increase in daily production for WMWD (223,926 current per day average/50,000 per day increase = 22.3%).

Assume all costs (\$109,189.78) increase by 22.3% then WMWD costs would grow to \$133,211.53 (\$109,189.78 x 22% = \$133,211.53). Thus cost of WMWD to produce water would equal \$1.33/1000 gallons. (273,926 gallons per day x 365 days = 99,982,990 gallons per year) (100,000,000 gallons per year/1000 = 100,000) (\$133,211.53 cost per year/100,000 gallons per year = \$1.33/1000 gallons prod

- st A proposed wholesale rate to BCWD of \$1.83 per 1000 gallons could equal \$33,397.50 per year.
- \* A reduced rate of **\$1.33** per 1000 gallons could equal **\$24,272.50** per year.
- \* This represents an approximate savings of \$9,125 per year to BCWD.
- \* BCWD will be paying 100% of the cost of the project, 50% of the project cost will equal approximately \$45,000.
- \* In order for BCWD to recoup half of their initial investment the reduced rate would need to be in affect for approximately 5 years. \$45,000/\$9125 per year = 4.93 years